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# Croatian Telecom

Zagreb – 12 October 2020

Croatian Telecom Inc.

Radnička cesta 21, HR – Zagreb

Ordinary share: HT (ISIN: HRHT00RA0005)

LEI: 097900BFHJ0000029454

Listing: Zagreb Stock Exchange, Official market

Member State: Republic of Croatia

**Subject: Croatian Telecom – Notification on transition from Official Market to Prime Market of the Zagreb Stock Exchange; Dividend Policy**

Croatian Telecom Inc. (Reuters: HT.ZA; Bloomberg: HT CZ, hereinafter referred to as: “the Company” or “HT”) hereby notifies that on 12 October 2020 the Management Board of the Zagreb Stock Exchange Inc. passed the Decision approving the transition of 80,766,229 ordinary shares of the Company from the Official to Prime Market of the Zagreb Stock Exchange.

The transition to the Prime Market and the first trading day with HT's shares on the Prime Market will take place on 14 October 2020.

*"Being listed on ZSE's Prime market is the latest confirmation of the highest level of corporate governance we operate by. Along with the fact that HT is the largest private investor in Croatian digitalization, and HT's share being one of the most liquid shares on the market, entering the Prime Market is also a move welcomed by the investor community as it not only testifies to our 'blue-chip' status but also strongly signals that HT shares are a valued and prudent long-term investment",* stated Daniel Daub, Chief Financial Officer of Croatian Telecom.

*"We are delighted to greet Croatian Telecom Inc. as this year's first issuer in the Prime Market, especially with Croatian Telecom Inc. share being immensely significant for the domestic capital market. It is a share that has been one of the largest market liquidity generators since its listing in 2007. With this the Prime Market has gained additional importance. We welcome HT's desire to formalize its commitment to the highest levels of transparency and good corporate governance by joining the most demanding market segment of the Zagreb Stock Exchange",* stated Ivana Gažić, President of the Management Board of the Zagreb Stock Exchange.

Pursuant to Article 141 of the Zagreb Stock Exchange Rules, prior to the start of trading with HT's shares on the Prime Market, in line with previously published information, HT hereby publishes the Dividend Policy of the Company, as follows:

The dividend policy of the Company was set out in the prospectus that accompanied its Initial Public Offering in October 2007:

The future dividend policy should be that any dividends declared and paid in respect of any year following the year in which Offering takes place, shall range from 50% to 100% of the Company's distributable profits earned in the immediately preceding year. Any annual dividend shall depend on the overall financial position of the Company and its working capital needs at the relevant time (including but not limited to the Company's business prospects, cash requirements, financial performance, and other factors including tax and regulatory considerations, payment practices of other European telecommunications operators and general economic climate).

As of 2016, a minimum target dividend for each year is being announced at the beginning of the said year, within the range determined by the dividend policy, i.e., from 50% to 100% of the Company's distributable profits, dependent on the overall financial position and working capital needs.

In March 2020 HT announced that the Management Board expects a minimum dividend of HRK 6 per share for the financial year 2020.



**Contact details**

**Hrvatski Telekom, Investor Relations**

Marina Bengez Sedmak

Tomislav Bajić

00 385 1 491 1080

00 385 1 491 1114

E-mail

[ir@t.ht.hr](mailto:ir@t.ht.hr)

Web site

[www.t.ht.hr/eng/investors](http://www.t.ht.hr/eng/investors)

**Instinctif Partners**

Kay Larsen / Adrian Duffield

+44 (0)20 7457 2020

**About Hrvatski Telekom**

Croatian Telecom (HT) is the leading provider of telecommunication services in Croatia, serving 0.8 million fixed lines, 2.3 million mobile subscribers and 736 thousand broadband connections through its Residential and Business divisions.